



UNITED STATES PATENT AND TRADEMARK OFFICE

il

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/043,554	01/11/2002	John K. Brixius	GS1-0007US	7333
56678	7590	09/06/2007		
LEE & HAYES, PLLC 421 W. RIVERSIDE AVE. SUITE 500 SPOKANE, WA 99201			EXAMINER ZECHER, MICHAEL R	
			ART UNIT 3691	PAPER NUMBER
			MAIL DATE 09/06/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/043,554

Applicant(s)

BRIXIUS ET AL.

Examiner

Michael R. Zecher

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 July 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 23-43 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 23-43 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to the amendment filed on July 3, 2007. The following is a second, non-final Office action on the merits. Claims 23-43 are pending.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 24-43** are rejected under 35 U.S.C. 103(a) as being anticipated by Dickstein et al. (U.S. 2002/0087373), in view of Louie et al. (U.S. 2001/0054022).

As per claim 23, Dickstein et al. teaches a method for providing restricted security distribution instructions to a transfer agent comprising the steps of:

receiving information from a Venture Capitalist ("VC") in electronic form, the distribution information including data indicating for each participant in the distribution a name, an identification number, and a number of allocated securities (See paragraphs 26, 28-29, & 53 which discuss how a database is maintained to catalog the capitalization structure of a company, including information about shares; how changes to the capitalization structure can be incorporated into the database electronically; and mentions potential users, such as venture capitalists);

importing the distribution information into a database system (See paragraph 28 & 29 which discuss how changes to the capitalization can be incorporated into the database electronically);

matching participants identified in the distribution information to participant information previously entered in the database system (See paragraphs 33 which discusses checking to see if the company in question has a corporate identifier entry; and how the database can be searched to see if a person or entity has been created within the database, and if not, creating a new record);

storing distribution instructions received from contacts in the database system (See paragraph 26, 28, & 44, which discuss a sequence of instructions used to manage the capitalization structure; and, furthermore, a database that is maintained to catalog the capitalization structure of the company, including information on the issuances of shares, the granting of options to purchase, information related to changes to the capitalization structure, and information related to changes between the security holders and the company);

generating a report including received distribution instructions for the participants in the distribution (See claim 46 which discusses creating projections and reports based on the data as applied to various capitalization scenarios); and

providing the report to a transfer agent (See paragraph 37 which discusses alerting the transfer agent directly to issue stock for the identified option holder).

Dickstein fails to expressly disclose associating each respective participant in the distribution information with a contact from which instructions regarding disposition of

the allocated securities to each respective participant can be obtained; and indicating contacts who must be contacted to obtain distribution instructions for associated participants.

Louie et al. discloses a tracking and management system for accessing and manipulating data related to a loan, including investor, borrower, and institution information (See paragraph 3, which discuss a management and administration system for tracking information relating to a loan).

Both Dickstein et al. and Louie et al. disclose methods for tracking information. Louie et al. discloses contact information and instructions for each respective investor (See paragraph 45, which discusses how investor information, such as instructions and contact information, is entered and tracked); and, furthermore, how the contact information includes such items as name, address, phone numbers in addition to a number of roles and responsibilities (See paragraph 47, which discusses how the investor management system includes contact data, including name, address, phone numbers, and roles/responsibilities). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Dickstein et al. to include securities related information such as distribution instructions and contact information as taught by Louie et al. in order to decrease human involvement when disposing of allocated securities and to keep the relationship between security holders and company contacts current. For example, when a security holder seeks a distribution, the capitalization structure changes. Due to strict accounting regulations,

there is a pressing need to continually update information in order to ensure that records are kept accurately and distributions are allotted accordingly.

As per claim 24, Dickstein et al. teaches scrubbing the received information prior to the importing step (See paragraphs 20-21, 30, & 33 which discusses how a server computer, containing a processor for processing information, communicates with a client computer using conventional means; for example, entering tentative option grants and updating related information via the internet--whereupon the database is checked to see if the company or person corresponds with records kept in the database);

As per claim 25, Dickstein et al. teaches wherein the step of matching participants comprise the steps of:

identifying previously stored records in the database system containing matching identification numbers (See paragraph 33 which discusses checking to see if a company in question has a corporate identifier entry, and searching the database to see if the person or entity has been created within the database);

indicating difference between data in identified records and the distribution data received from the VC (See paragraph 33 & 35 which discusses determining the option to be granted, including checking the database to see if the option plan exist; and, furthermore, determining if the option plan has an early exercise feature); and

indicating participants in the distribution for which no matching previously stored record was found (See paragraph 33 which discusses searching the database to see if the person or entity has been created within the database, and if not, creating a record).

As per claim 26, Dickstein et al. teaches defining distribution restrictions for a particular participant (See paragraph 35 which discusses allowing a derivative security holder to exercise an option, SPR, CPN, or a warrant based on certain restrictions).

As per claim 27, Dickstein et al. teaches dynamically indicating the contacts for participants in the distribution and a contact status for the indicated contacts (See claims 1, 17, & 65, and paragraph 33 which discusses updating data regarding a company through an update mode; and checking the database for a corporate identifier and/or a person or entity that has been created within the database);

As per claim 28, Dickstein et al. teaches upon the selection of an indicated contact indicating all open items for which the contact must be contacted (See paragraph 28 which discusses how information related to changes in capitalization structure or in the relationship between the security holders and the company will be reported to company contacts and the database administration system via company contacts).

As per claim 29, Dickstein et al. teaches wherein the step of generating is performed on a periodic basis (See paragraph 44 which discusses producing a report detailing what entries and modifications have been made by whom and when as of the date the report was generated).

As per claim 30, Dickstein et al. teaches wherein the step of generating is on demand (See paragraph 44 which discusses how the system automatically notes what entries and modifications have been made by whom and when and, furthermore, generating a detailed report).

As per claim 31, Dickstein et al. teaches wherein the step of generating is performed in response to the receipt of distribution instructions for at least one participant (See paragraph 44 which discusses how the name of a user entering data regarding a transaction or modifying data regarding a transaction is automatically noted by the system; and how the system generates detailed reports).

As per claim 32, Dickstein et al. teaches granting the transfer agent custody of the allocated securities for at least a limited period of time (See paragraph 37 & 49, which discuss retrieving information from a transfer agent, the option of performing a same day sale, and allowing the holder to choose a broker to execute the trade), and wherein the allocated securities are associated with corresponding participants, and further wherein the transfer agent is configured to perform incremental distributions of the securities in accordance with the distribution instructions (See paragraph 33, which discusses granting or distributing a security based on instructions, including determining the class of option to be granted and the associated vesting schedule).

As per claim 33, Dickstein et al. teaches sorting contacts in the order of urgency, such that contacts associated with more exigent items are contacted before contacts associated with less exigent items (See paragraph 35, which discusses distribution in the contexts of allowing a derivative security holder to exercise an option, whereupon distribution information is sorted according to an early exercise feature).

As per claim 34, Dickstein teaches a system for generating restricted security distribution instruction reports suitable for use by a transfer agent, the system comprising:

a database (See paragraph 26 which discusses how a database is maintained to catalog the capitalization structure of a company);

at least one client computer system having access to the database (See paragraph 31 which discusses how a stakeholder, a person or agent who conducts business with the company, can access the information stored in the database via the web page);

a database import module configured to import into the database distribution information received from an originating entity in electronic form (See Figure 1, #100 & #110, and paragraph 20, which discuss conventional means by which clients may supply information to the web server through the World Wide Web and the web server may return process data to the clients), the distribution information including data indicating for respective participants in the distribution a name, an identification number, and number of allocated securities (See paragraphs 26 & 28-29 which discuss how a database is maintained to catalog the capitalization structure of a company, including information about shares; and, furthermore, how changes to the capitalization structure can be incorporated into the database electronically);

a participant matching module configured to match participants identified in the distribution information to participant information previously stored in the database (See Figure 2, #201, #202, and #204, and paragraph 33, which discusses a computer system comprising of a communication means for communicating information, a processing means for processing information, and a dynamic storage device; checking to see if the company in question has a corporate identifier entry; and, additionally, how the

database can be searched to see if a person or entity has been created within the database, and if not, creating a new record);

at least one disposition module configured to store distribution instructions received from the contacts (See Figure 2, #204, and paragraph 21, which discusses a computer system containing a dynamic storage device used for storing information and instructions to be executed by a processor).

a participant instruction report module configured to generate a report containing received instructions for the participants, the report suitable for electronic transfer to agents (See Figure 3, #322 & #326, paragraph 29, and paragraph 37, which discusses how the database administration software generates reports processed during data analysis that are capable of alerting transfer agents directly).

Dickstein et al. does not expressly disclose a participant contact association module configured to associate each participant in the distribution with a contact from which instructions regarding the disposition of the securities allocated to the participant can be obtained; and a call queue module configured to indicate contacts who must be contacted to obtain distribution instructions for associated participants.

Louie et al. discloses contact information and instructions for each respective investor (See paragraph 45, which discusses how investor information, such as instructions and contact information, is entered and tracked); and, furthermore, how the contact information includes such items as name, address, phone numbers in addition to a number of roles and responsibilities (See paragraph 47, which discusses how the investor management system includes contact data, including name, address, phone

numbers, and roles/responsibilities). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Dickstein et al. to include modules configured with securities related information such as distribution instructions and contact information as taught by Louie et al. in order to decrease human involvement when disposing of allocated securities and to keep the relationship between security holders and company contacts current. For example, when a security holder seeks a distribution, the capitalization structure changes. Due to strict accounting regulations, there is a pressing need to continually update information in order to ensure that records are kept accurately and distributions are allotted accordingly.

As per claim 35, Dickstein et al. teaches a scrubbing module configured to format the received information and to verify that required data fields are present prior to processing of the received information by the import module (See Figure 1, #100 & #110, and paragraphs 30 & 33, which discuss conventional means by which clients may supply information to the web server, the server computer includes a processor for processing information; and, furthermore, entering tentative option grants and updating related information via the internet--whereupon the database is checked to see if the company or person corresponds with records kept in the database).

Claim 36 recites equivalent limitations to claim 25 and is therefore rejected using the same art and rationale set forth above.

As per claim 37, Dickstein et al. teaches wherein the call queue module is configured to dynamically indicate contacts for participants in the distribution and a

contact status for the indicated contacts (See Figure 2, #201, #202, and #204, claims 1, 17, & 65, and paragraph 33, which discusses a computer system comprising of a communication means for communicating information, a processing means for processing information, and a dynamic storage device; and, furthermore, updating data regarding a company through an update mode; and checking the database for a corporate identifier and/or a person or entity that has been created within the database).

Claims 38-42 recite equivalent limitations to claims 28-32, respectively, and are therefore rejected using the same art and rationale set forth above.

As per claim 43, Dickstein et al. teaches wherein the database comprises a plurality of tables including tables forming:

an allotment cluster configured to store information related to distribution tasks to be performed by the facilitator (See Figure 4 & 5, and paragraph 31, which discuss altering stored data, including options to be granted, using a web page interface);

a participant cluster configured to store individual account level reference information (See Figure 4 & 5, and paragraph 31, which discusses how a stakeholder, a person or agent who conducts business with the company, can access information stored on a database);

a contact cluster configured to store contact reference information (See Figures 4 & 5, and paragraph 33, which discuss a variety of managerial functions on securities, including checking corporate identifier entries, determining the class of option to be granted by searching the database to see if a person or entity has been created within the database, and if not, creating a record);

a project cluster configured to store information related to specific security distribution projects (See Figures 4 & 5, and paragraph 26, which discusses maintaining a database that catalogs the capitalization structure of a company).

Response to Arguments

4. Applicant's arguments, see page 14 of Remarks/Arguments, filed July 3, 2007, with respect to the objection of claim 23 have been fully considered and are persuasive. The objection of claim 23 has been withdrawn.

5. Applicant's arguments with respect to claims 23-43 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Cristofich et al. (U.S. 6,173,270) discloses a stock option control and exercise system.

Shields et al. (U.S. 2002/0042771 A1) discloses a system and method for implementing employee stock plans.

Cristofich et al. (U.S. 6,269,346) discloses a stock option control and exercise system.

Brixius (U.S. 2002/0038275) discloses restricted securities processing.

Minton (U.S. 6,014,643) discloses an interactive securities trading system.

Korhammer et al. (U.S. 6,278,982) discloses a securities trading system for consolidation of trading on multiple ECNS and electronic exchanges.

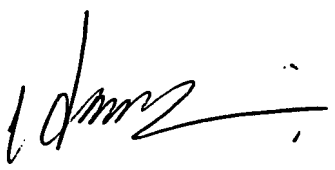
Keiser et al. (U.S. 5,950,176) discloses a computer-implemented securities trading system with a virtual specialist function.

Graff (U.S. 6,192,347) discloses system and methods for computing to support decomposing property into separately valued components.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael R. Zecher whose telephone number is 571-270-3032. The examiner can normally be reached on M-F 7:30-5:00 alt. Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



HANI M. KAZIMI
PRIMARY EXAMINER